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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
- - - - - X
UNITED STATES OF AMERICA, : 23-CR-197(JS)
:
:
-against- : United States Courthouse
:
:
August 19, 2024
GEORGE ANTHONY DEVOLDER : 3:00 p.m.
SANTOS, :
:
Defendant.
- - - - - X
TRANSCRIPT OF CRIMINAL CAUSE FOR PLEADING
BEFORE THE HONORABLE JOANNA SEYBERT
UNITED STATES DISTRICT JUDGE
A P P E A R A N C E S:
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Proceedings recorded by computerized stenography.
Transcript produced by Computer-aided Transcription.

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1 (In open court; defendant present.)

2 COURTROOM DEPUTY: Calling case 23-CR-197 the
3 United States of America versus George Anthony Devolder
4 Santos.

5 Counsel, please state your appearances for the
6 record.

7 MR. HARRIS: Good afternoon, your Honor. Ryan
8 Harris for the United States. I'm joined by Assistant
9 United States Attorneys Anthony Bagnuola, Laura Zuckerwise
10 from the Eastern District of New York. I'm also joined by
11 trial attorneys Jacob Steiner and John Taddei from the
12 Public Integrity Section of Main Justice.

13 THE COURT: Good afternoon to you all.

14 MR. MANCILLA: Good afternoon, your Honor.
15 Andrew Mancilla on behalf of Mr. Santos. I'm accompanied
16 by Joseph Murray and my partner Robert Fantone and, with
17 the Court's permission, our lovely interns seated behind
18 counsel's table Jessica Pertrucci and Kyra Mangle.

19 THE COURT: Yes.

20 MR. MANCILLA: Thank you.

21 THE COURT: Good afternoon to you all.

22 All right. I understand this is going to be a
23 disposition. Is that correct?

24 MR. HARRIS: It is, your Honor.

25 MR. MANCILLA: That's correct, your Honor.

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1 THE COURT: Mr. Santos, if you would stand, I'll
2 have you sworn in.

3 COURTROOM DEPUTY: Sir, please raise your right
4 hand.

5 (Defendant sworn.)

6 THE COURT: Mr. Santos, you're under oath now.

7 THE DEFENDANT: Yes, ma'am.

8 THE COURT: You have to understand that anything
9 you say that is not true can subject you to penalties of
10 perjury.

11 All right.

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: Let me advise you that you can talk
14 to your attorneys before you answer any question.

15 THE DEFENDANT: Yes, your Honor.

16 THE COURT: And you can do that in private.

17 Also, you should be aware of the fact that if
18 you don't understand a question, tell me you don't
19 understand it and I'll rephrase it.

20 All right?

21 THE DEFENDANT: Yes, your Honor.

22 THE COURT: Are you willing to answer my
23 questions under oath knowing the consequences of telling a
24 lie?

25 THE DEFENDANT: Yes, your Honor.

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1 THE COURT: Prior to coming to court today, have
2 you had any medication, any drugs, alcohol, anything that
3 might alter your ability to understand the proceedings?

4 THE DEFENDANT: Just my regular prescriptions.

5 THE COURT: All right. And they don't affect
6 your ability to understand?

7 THE DEFENDANT: No, your Honor.

8 THE COURT: Okay.

9 And are you satisfied with your lawyers?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: You understand that you have a whole
12 host of rights that you are now going to give up if I
13 accept your guilty plea?

14 THE DEFENDANT: Yes, your Honor.

15 THE COURT: Including the right to go to trial,
16 the right to subpoena witnesses on your behalf, the right
17 to testify if you chose to testify. If you chose not to
18 testify, the jury would be instructed that they could not
19 hold that against you. Your right to confront witnesses
20 against you, your right to subpoena witnesses to come in,
21 your right and your presumption of innocence, the
22 requirement that the Government prove your guilt beyond a
23 reasonable doubt.

24 You're giving that all up, do you understand
25 that, if I accept your guilty plea?

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1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: Right off the bat, has anyone
3 promised you, coerced you in any way to enter into this
4 plea?

5 THE DEFENDANT: No, your Honor.

6 THE COURT: You understand that your lawyers are
7 retained here. If you chose to get counsel and you
8 couldn't afford counsel, the Court would assign counsel to
9 you.

10 Do you realize that?

11 THE DEFENDANT: Yes, your Honor.

12 THE COURT: All right.

13 In preparation for your plea today, I understand
14 that you signed the standard plea form, and that indicates
15 a variety of things. Is that correct, sir?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: All right.

18 And you've gone over all of this with your
19 attorneys, and you've indicated how it is that you're
20 guilty of two charges, Count Two and Count Nine, I
21 believe, Aggravated Identity Theft. Is that correct?

22 THE DEFENDANT: Count Six, your Honor.

23 MR. MANCILLA: Six.

24 THE COURT: Count Six.

25 So, you've reviewed all of that, and you have

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1 reviewed with counsel the advisory guidelines, your rights
2 as I've indicated them to you.

3 Restitution here as to Count Two would be in the
4 amount of, at this time it's estimated to be \$373,749.97.
5 And there is an inclusion in the plea agreement as to how
6 this can be paid, and that's in paragraph 7 of the plea
7 agreement.

8 There's also a \$100 special assessment.

9 The maximum supervised release term for this
10 particular offense is three years, to follow any term of
11 imprisonment. If a condition of release is violated, the
12 defendant may be sentenced up to two years without credit
13 for pre-release imprisonment or time previously served on
14 post-release supervision.

15 And also, the wire count here, Count Two,
16 there's a maximum term of imprisonment of 20 years and a
17 minimum term, there is no minimum term.

18 Other penalties are the criminal forfeiture
19 that's outlined in the plea agreement in paragraphs 8
20 through 15.

21 Do you understand that?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: There's a maximum term of
24 imprisonment on aggravated identity theft of two years,
25 and there's a minimum term of two years.

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1 I've never seen that before. That's a new type
2 of statute, having the minimum and the maximum the same
3 amount.

4 In any event, there is also a supervised release
5 term of one year.

6 And it's very important that you understand that
7 this sentence must run consecutively to any other count
8 that you're pleading guilty to.

9 Do you understand that?

10 THE DEFENDANT: One moment, your Honor.

11 THE COURT: Sure.

12 (Defendant and defense counsel confer.)

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Also with regard to restitution,
15 that would be in the total amount of \$373,749.97.

16 Do you understand that?

17 THE DEFENDANT: Yes, your Honor.

18 THE COURT: Okay.

19 Then in paragraph 2, it indicates all the acts
20 that you're pleading guilty to.

21 Have you reviewed that in detail with counsel?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: Do you --

24 MR. HARRIS: Your Honor?

25 THE COURT: Yes.

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1 MR. HARRIS: Just to clarify, paragraph 2 sets
2 forth conduct to which he is stipulating and admitting to.

3 THE COURT: Yes.

4 MR. HARRIS: In addition to the counts to which
5 he is pleading to.

6 THE COURT: That is correct. And he'll be held
7 responsible in the sense that the Court will consider that
8 when it goes to sentence in terms of the nature and
9 circumstances of the offense.

10 MR. HARRIS: Yes, your Honor.

11 THE COURT: Okay.

12 So with regard to the aggravated identity theft,
13 which I'm still on, you understand that that sentence must
14 run consecutively, and you've stipulated in paragraph 2 to
15 all the different acts that you're responsible for and
16 guilty of and you know that particular section.

17 Do you need me to read that out loud, Mr.
18 Santos?

19 THE DEFENDANT: No, your Honor.

20 THE COURT: Okay. You've reviewed it with
21 counsel.

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: Do you have any questions?

24 THE DEFENDANT: No, your Honor.

25 THE COURT: Do you have any objections?

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1 THE DEFENDANT: No, your Honor.

2 THE COURT: Okay.

3 Does the Government have any need for the Court
4 to read the whole recitation here of what he's admitting
5 to?

6 I don't have a problem of doing it one way or
7 the other.

8 MR. HARRIS: Your Honor, I'd like to put the
9 stipulation on the record.

10 THE COURT: Okay. So it is as follows.

11 The defendant stipulates and admits to the
12 following:

13 A. The defendant committed access device fraud,
14 including as charged in Count Nine of the superseding
15 indictment, by using, between July 2020 and October 2022,
16 the personal identity and credit card numbers of one or
17 more individuals, without their knowledge or
18 authorization, to fraudulently cause those individuals'
19 credit cards to be charged for the benefit of his
20 campaign, the campaigns of other individuals for elected
21 office, and his own personal benefit, resulting in the
22 receipt of payments of at least \$1,000 in a one-year
23 period. In connection with this access device fraud, the
24 defendant caused his campaign committee to make false
25 statements and falsify records to the Federal Election

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1 Commission (the "FEC") during the same period.

2 Subparagraph B. The defendant committed wire
3 fraud, as charged in Count Fourteen of the superseding
4 indictment, by communicating, and causing another person
5 to communicate, between September '22 and October '22,
6 false information about Redstone Strategies LLC
7 ("Redstone") to one or more supporters of his candidacy
8 for the U.S. House of Representatives (the "House"),
9 including that Redstone was a Section 501(c)(4) social
10 welfare organization and that contributions made to
11 Redstone would be used on independent expenditures in
12 support of his candidacy, including television
13 advertisements, when, in actuality, funds contributed to
14 Redstone in reliance on those false statements were
15 converted by the defendant for his own personal benefit.
16 These communications included, but were not limited to, a
17 text message sent by defendant on October 21, 2022, to
18 Andrew Intrater stating that the funds received by
19 Redstone from Intrater would be used, in part, to purchase
20 television advertisements supporting the defendant 's
21 candidacy for the House.

22 C. Defendant committed theft of public money,
23 as charged in Count Nineteen of the superseding
24 indictment, by applying for and receiving unemployment
25 insurance benefits to which he was not entitled, between

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1 June 2020 and April 2021, by falsely informing the New
2 York State Department of Labor that he was unemployed,
3 available to take on new work, and otherwise eligible for
4 benefits, during a period of time when he was gainfully
5 employed as the regional director at Harbor City Capital
6 Corp.

7 D. The defendant made false statements, as
8 charged in Count Twenty-Three of the superseding
9 indictment, in connection with his candidacy for the
10 House, when, on or about September 6th, 2022, he made
11 materially false statements and omissions in a Financial
12 Disclosure Statement transmitted to the Clerk of the
13 House, for delivery to the House Committee on Ethics,
14 concerning his assets and income, including (a) falsely
15 claiming his earned income consisted of \$750,000 salary
16 from Devolder Organization LLC; (b) falsely claiming his
17 unearned income included dividends from the Devolder
18 Organization LLC valued at between \$1,000,001 and
19 \$5,000,000; (c) falsely claiming that he had no
20 compensation exceeding \$5,000 from a single source in
21 which he had an ownership interest; (d) falsely claiming
22 he owned a checking account with deposits totaling between
23 100,001 and \$250,000; (e) falsely claiming he owned a
24 savings account with deposits totaling between \$1,000,001
25 and \$5,000,000; and (f) failing to disclose that he

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1 received approximately \$28,107 in income from Harbor City
2 Capital Corp. and approximately \$20,304 in unemployment
3 insurance benefits from the New York State Department of
4 Labor during the relevant reporting period.

5 The defendant also stipulates that, pursuant to
6 United States Code Section 1B1.2(c), the conduct described
7 in paragraphs 2(a) through 2(d) shall be considered by the
8 Court, quote, as if the defendant had been convicted of
9 additional counts charging those offenses, end quote.

10 Is that your understanding, sir, of what you're
11 actually admitting to?

12 THE DEFENDANT: Yes, your Honor.

13 THE COURT: And you also understand that
14 although the imposition of a sentence in accordance with
15 United States Guidelines is not mandatory, in other words,
16 they're advisory, the Court is required to look at the
17 guideline calculations and come up with the appropriate
18 formula and also included the factors under Title 18
19 United States Code 3553(a) so I can arrive at the proper
20 sentence.

21 Do you understand that?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: And I'm going to be getting from the
24 Probation Department, and also the U.S. Attorney's Office
25 will give me, information regarding sentence, criminal

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1 activity engaged in by you, and information, and I'll use
2 that as well as submissions from your defense attorneys.

3 Do you understand that?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: And there's no limitation on
6 background, character, and conduct that they can inquire
7 into and I can consider, if appropriate.

8 The U.S. Attorney's Office estimates the likely
9 offense level for the guidelines is a 27, and indicates
10 what it's based on: the base offense for Count Two; the
11 loss amount between 250,000 and 550,000; the
12 misrepresentation concerning charitable political
13 organizations; vulnerable victims; organizer, leader,
14 manager, or supervisor enhancement; and abuse of trust,
15 the highest level would be a 27.

16 And also under Count Six, identity theft, the
17 term of imprisonment required, as I indicated before, is
18 24 months to run consecutively to any other sentence. And
19 if you clearly demonstrate acceptance of responsibility,
20 the guidelines, according to the Office, the U.S.
21 Attorney's Office, can be reduced to a level 25 if they
22 find that, and your imprisonment then would be 57 to 71
23 months, assuming that you're a Criminal History
24 Category I. The sentence for Count Six would be 24
25 months, and that would run consecutive to, effectively, a

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1 guideline range of 81 to 95 months.

2 There also is indicated that there may be a
3 one-level reduction, if warranted, that would bring you to
4 an adjusted offense level of 24, and this range of
5 imprisonment would be 51 to 63 months, again assuming that
6 you're a Category Criminal History I.

7 Also, the sentence for Count Six is 24 months,
8 as I mentioned multiple times now, to run consecutive to
9 all other counts. So we're talking about 75 to 87 months.

10 And you reserve the right, Mr. Santos, to argue
11 that organizer, leader, manager, or supervisor enhancement
12 under 3B1.1(c) and vulnerable victims enhancement do not
13 apply. You can argue that. I'll make a determination as
14 to whether or not those items apply.

15 So, with regard to paragraph 3, if, for any
16 reason, there's an error, you don't get the right to
17 withdraw your guilty plea. In other words, the
18 calculations, and the Court can come up with a different
19 calculation. However, you do retain the right to file an
20 appeal or otherwise challenge the sentence unless I
21 sentence you to a term of 95 months or less.

22 Do you understand that?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: And the only thing that would allow
25 you to appeal would be ineffective assistance of counsel,

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1 and you've told me you're satisfied with your attorneys in
2 the way they've represented you.

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: All right.

5 Do you have any questions about the waiver of
6 appeal?

7 THE DEFENDANT: No, your Honor.

8 THE COURT: Okay.

9 And the U.S. Attorney's Office says that in
10 exchange for your guilty plea, they'll bring no further
11 charges against you for:

12 One, falsifying and conspiring to falsify
13 fund-raising data reported to the FEC by the
14 Devolder-Santos for Congress campaign committee (the
15 "Committee"), including through false statements
16 concerning the number and amounts of loans the defendant
17 reportedly made to the Committee and the unauthorized use
18 of third-party victims' names and personal identifying
19 information to falsely and fraudulently report to the FEC
20 nonexistent contributions to the Committee for the purpose
21 of fraudulently inducing the National Republican
22 Congressional Committee to provide money and property to
23 the defendant's campaign for the election of the U.S.
24 House of Representatives (the "House"), and impeding the
25 proper administration of a matter within the jurisdiction

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1 of the FEC, all between October 2020 and November 2022,
2 also known as the Party Program Scheme;

3 Also, using, without lawful authority, the
4 personal and financial information of one or more
5 individuals to cause those individuals' credit cards to be
6 charged without the authorization of the cardholders for
7 the benefit of the Committee, for the benefit of the
8 campaigns for other candidates for elected office, and for
9 the defendant's personal benefit between July 2020 and
10 October 2022, known as the Credit Card Fraud Scheme;

11 And also, fraudulently inducing putative
12 political contributors to contribute money to Redstone,
13 representing that the funds would be used on independent
14 expenditures in support of the defendant's candidacy for
15 the House, but which funds were, in fact, used for the
16 defendant's personal benefit, again between October 2022
17 and November 2022, the Redstone Fraud Scheme;

18 Applying for, and collecting, unemployment
19 insurance benefits to which the defendant was not entitled
20 through submissions containing materially false
21 information between June 2020 and April 2022, the
22 Unemployment Fraud Scheme;

23 And making one or more materially false
24 statements and omissions concerning the defendant's assets
25 and income on financial disclosure statements submitted to

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1 the House in connection with his candidacy on May 11, 2020
2 and September 6, 2022.

3 It being understood that this agreement does not
4 bar the use of such conduct as a predicate act or the
5 basis for a sentencing enhancement in a subsequent
6 prosecution, including, but not limited to, a prosecution
7 pursuant to 18 United States Code Section 1961.

8 And at the time of sentence, the Office will
9 move to dismiss the remaining counts of the superseding
10 indictment and all underlying indictments with prejudice.
11 And this is based on what the U.S. Attorney's Office knows
12 at the present time.

13 Also, they will make no motion for an upward
14 departure under the sentencing guidelines based on what
15 they know now, but they won't be bound by this should they
16 find that you violated any provision of this agreement and
17 you will not be released from your plea of guilty.

18 The U.S. Attorney's Office will be released from
19 its obligations under the agreement, including, but not
20 limited to, the paragraphs here that I've just read to you
21 6(a) through 6(b).

22 Do you understand all of that?

23 THE DEFENDANT: Yes, your Honor.

24 THE COURT: You also understand that you're
25 agreeing to pay restitution in the amount I previously

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1 mentioned, and that will be to the victims of the Party
2 Program Scheme and that lists the amounts that would be
3 \$178,402.97; the victims of the Credit Card Fraud Scheme
4 in the amount of \$120,700; and with respect to the victims
5 of the Redstone Fraud Scheme in the amount of 50,000; and
6 to the victims of the Unemployment Fraud Scheme in the
7 amount of \$24,647, all payable as I direct.

8 You agree that I will impose restitution
9 pursuant to United States Code 3664(f). Is that right?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: You also agree that you have
12 obtained and acquired property that is subject to
13 forfeiture, and that is in the amount and you consent to
14 the entry of a judgment in the amount of \$205,002.97, and
15 you agree that you will make payments and the forfeiture
16 money judgment represents all the property, real or
17 personal, assets that are obtained directly or indirectly
18 as a violation of 18 United States Code 1343, and/or any
19 substitute assets that are forfeitable. And then it goes
20 on to cite the various sections.

21 Also, the forfeiture judgment shall be paid in
22 full 30 days in advance of the sentencing due date.

23 Is that correct, counsel?

24 MR. MANCILLA: We're going to make our best
25 efforts to, your Honor.

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1 THE COURT: Okay. That's paragraph 9.

2 You've conferred with your attorneys on that,
3 Mr. Santos?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: And you understand that the
6 Government is expecting to be paid in full on this
7 forfeiture. Is that correct?

8 MR. HARRIS: It is, your Honor.

9 THE COURT: It also mentions in paragraph 10 if
10 you fail to pay any portion of the forfeiture money
11 judgment on or before the due date, you consent to the
12 forfeiture of any property of yours up to the amount of
13 unpaid forfeiture judgment, if those conditions have not
14 been met. In other words, you have to agree to this, and
15 this would survive any bankruptcy, any other claim that
16 might be made.

17 Do you understand that?

18 THE DEFENDANT: Yes, your Honor.

19 THE COURT: And the failure to forfeit any
20 monies or properties, including to execute any documents
21 to accomplish this on timely notice, can be considered a
22 breach of the agreement, and you won't be entitled to
23 withdraw your plea, and additional criminal charges can be
24 brought against you for that.

25 Do you realize that?

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1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: Do you have any questions as to how
3 you have to make this forfeiture?

4 In other words, you're required to make the
5 forfeiture and the following paragraphs outline what's
6 expected of you and what rights you'd be giving up with
7 regard to the forfeiture, including that the forfeiture
8 monies will survive any claim of bankruptcy.

9 You realize that?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: All right.

12 And you know that this agreement doesn't bind
13 any other federal, state, or local prosecuting authorities
14 other than the U.S. Attorney's Office for the Eastern
15 District of New York, and it doesn't stop the U.S.
16 Attorney's Office from starting or prosecuting you on any
17 civil or administrative proceedings, either directly or
18 indirectly. You realize that?

19 THE DEFENDANT: Yes, your Honor.

20 THE COURT: Apart from any written proffer
21 agreements, have there been any other promises,
22 agreements, or conditions given to you with respect to
23 this plea?

24 THE DEFENDANT: No, your Honor.

25 THE COURT: No one's forcing you to plead

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1 guilty. Is that fair to say?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: And you've reviewed, as I mentioned
4 earlier, the plea form.

5 And can you tell me what it is, in your own
6 words, that you did that makes you guilty of this crime?

7 THE DEFENDANT: May I sit, your Honor, or should
8 I stand?

9 THE COURT: Just sit and talk directly into the
10 microphone so we have an accurate record.

11 THE DEFENDANT: Thank you.

12 Your Honor, I participated in a scheme between
13 October 2021 and November 2022 to file false FEC filings
14 through transmissions of interstate wires for the purpose
15 of obtaining money and support from the NRCC.

16 In furtherance of that, on January 31st, 2022,
17 in the Eastern District of New York, I, along with Nancy
18 Marks, knowingly filed a list of false donors with the FEC
19 for the year-end 2021 report --

20 THE COURT: Slow down a little bit, okay.

21 THE DEFENDANT: Yes, ma'am, sorry.

22 Knowing it was not true, and the donors, who are
23 friends and family members of Ms. Marks and myself, didn't
24 actually donate and didn't give me permission to use their
25 names.

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1 We used the names of our friends and family to
2 make it seem like real people were donating to my campaign
3 which I believed was required by the FEC.

4 I made these misrepresentations to artificially
5 inflate the amount my campaign raised to meet thresholds
6 set by the NRCC, so that the NRCC would spend money on my
7 campaign. I believed that the false information was
8 material to the NRCC and to the FEC, and that they would
9 rely on it.

10 I understand that my actions have betrayed the
11 trust of my supporters, constituents. I deeply regret my
12 conduct and harm it has caused.

13 And I accept full responsibility for my actions,
14 and I am committed to making amends and learning from this
15 experience.

16 THE COURT: How do you plead, sir, to Count Two
17 Wire Fraud?

18 THE DEFENDANT: Guilty.

19 THE COURT: And how do you plead to Count Six
20 Aggravated Identity Theft?

21 THE DEFENDANT: Guilty.

22 THE COURT: The Government's proof at trial
23 would be?

24 MR. HARRIS: Your Honor, if this case went to
25 trial, the evidence that the Government would marshal and

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1 present to a jury would be extensive. Over the course of
2 a trial, more than 40 witnesses would testify, including
3 victims who were defrauded, had their identities stolen,
4 their credit cards misused, or their funds embezzled. It
5 would include members of the defendant's campaign staff,
6 his coworkers, political party officials, donors, other
7 intended targets of the defendant's various schemes,
8 members of his family and those of his co-conspirator, as
9 well as state and federal officials.

10 The Government would also present more than 500
11 exhibits, including text messages, photographs, location
12 records seized from the defendant's cell phone and from
13 his iCloud account pursuant to search warrants. It would
14 include dozens of emails, audio recordings, video
15 recordings. It would include a plethora of financial
16 records, records from banks, credit card companies,
17 payment processors, 1099s and other employment records.
18 It would include hotel records, flight records, telephone
19 records, historical cell site analysis demonstrating his
20 location at various dates and times. It would include a
21 host of official public records, such as records from the
22 New York State Department of Labor, the Internal Revenue
23 Service, the Federal Election Commission, and the U.S.
24 House of Representatives.

25 These witnesses and these exhibits would

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1 establish the defendant's guilt of all the crimes charged
2 in the indictment beyond a reasonable doubt.

3 With respect to Count Two and Count Six, this
4 evidence would specifically demonstrate that, during the
5 2020 and 2022 election cycles, the defendant campaigned as
6 a candidate for the United States House of
7 Representatives.

8 Between December 2021 and November 2022, he and
9 his campaign treasurer, Nancy Marks, devised and executed
10 a scheme to submit materially false reports to the FEC on
11 behalf of his campaign committee, in which they
12 fraudulently inflated the campaign committee's fundraising
13 numbers for the purpose of misleading not only the FEC,
14 but the National Republican Congressional Committee, or
15 the NRCC as well, and the public at large.

16 The purpose of the scheme was to qualify the
17 defendant for different phases of the Young Guns program,
18 a program administered by the NRCC, pursuant to which the
19 NRCC provided financial and logistical support for
20 congressional candidates who qualified as Young Guns.

21 Young Guns had three phases, each with its own
22 qualifying criteria. To qualify for the second phase of
23 Young Guns, congressional candidates were required, among
24 other things, to demonstrate that their campaign committee
25 had raised at least \$250,000 from third-party contributors

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1 in a single quarter.

2 The evidence would establish beyond a reasonable
3 doubt that throughout 2021, the defendant and Nancy Marks
4 sought for his campaign committee to report fund-raising
5 totals sufficient to meet that \$250,000 threshold
6 necessary to qualify for the second phase of Young Guns.
7 For the third quarter of 2021, his campaign committee
8 failed to qualify due to its failure to meet this
9 threshold.

10 Pursuant to their scheme to defraud, in December
11 2021, the defendant and Nancy Marks drafted a list of the
12 names of approximately ten family members of the defendant
13 and Nancy Marks, along with a list of fake, max-out
14 contribution amounts for each corresponding family member,
15 totaling more than \$50,000 for Marks to enter into a
16 report to the FEC on behalf of the campaign committee so
17 that it would appear that they had met this \$250,000
18 threshold and qualified for the second phase of Young
19 Guns. However, that was not true. None of these family
20 members had made, ever did make, or could afford these
21 contributions.

22 Thereafter, pursuant to this scheme, the
23 campaign committee submitted a report to the FEC which it
24 certified as true. It falsely reported these more than
25 \$50,000 in fake campaign contributions, causing the

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1 committee to just barely surpass the \$250,000 threshold
2 with reported total quarterly receipts of \$251,000. The
3 defendant and Nancy Marks knew these contributions were
4 fake, the evidence would show, but used them to qualify
5 for Young Guns.

6 The evidence would further show that between
7 March and April 2022, the defendant and Nancy Marks
8 continued their efforts to falsely inflate his campaign
9 committee's fundraising totals. And pursuant to that
10 scheme, the defendant and Nancy Marks agreed to falsely
11 represent, in presentations and communications with the
12 NRCC, as well as quarterly submissions to the FEC, that
13 the defendant had loaned his campaign committee \$500,000
14 when in fact he had not.

15 In March 2022, the evidence would show, the
16 defendant had his campaign committee deliver a
17 presentation to the NRCC which falsely represented that he
18 was loaning his campaign \$500,000 in the first quarter of
19 2022, and the FEC filing was made on April 15th, 2022
20 reporting the same. In subsequent press releases which
21 the defendant himself touted, he reported this fundraising
22 total inflated by, in a substantial way, by this fake
23 \$500,000 loan. In truth, the defendant had not loaned his
24 campaign these funds, did not have anywhere near the funds
25 necessary to cover such a loan. And the evidence would

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1 show that this illegal scheme was successful. Based on
2 the misrepresentations made by the defendant and Nancy
3 Marks, the NRCC announced that the defendant had qualified
4 as a Young Gun in June 2022, and thereafter, the NRCC
5 provided financial and logistical support to the
6 defendant's campaign.

7 THE COURT: Thank you.

8 The Court finds that the defendant has made a
9 knowing and voluntary waiver of his rights. He has
10 allocuted to all the elements of the crime, and the Court
11 accepts his guilty plea.

12 We're going to put it over.

13 I also would like to just put on the record that
14 jury selection date is now withdrawn and any remaining
15 pretrial submission deadlines are cancelled.

16 So, we have to come up with a date for sentence,
17 and we're thinking February because there's going to be an
18 extensive examination regarding these offenses that the
19 Probation Department has to get started with.

20 COURTROOM DEPUTY: Counsel, February 7th at
21 10:30.

22 MR. HARRIS: Fine for the Government. Thank
23 you, your Honor.

24 THE COURT: All right.

25 And memorandum, I need at least two weeks.

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1 Is that okay with you, February 7th, defense
2 counsel?

3 MR. MURRAY: Yes, your Honor.

4 MR. MANCILLA: Yes, your Honor.

5 COURTROOM DEPUTY: Counsel, sentencing
6 memorandums will be due January 24th.

7 THE COURT: Does that work for everyone?

8 MR. HARRIS: It does.

9 MR. MURRAY: Yes, your Honor.

10 THE COURT: I'd also like to extend my thanks to
11 both the Government and defense counsel for their
12 presentation today.

13 The media also has been very polite. The
14 courtroom has been a calm place in which to take this
15 plea, and it really makes a difference for the courts to
16 preside over such a proceeding.

17 If there's nothing else.

18 MR. HARRIS: Your Honor, a few housekeeping.

19 MR. MANCILLA: Just one other issue, your Honor.

20 I just want to make clear for the record we had
21 this conversation with the Government already, it's
22 regarding forfeiture and restitution. We've advised the
23 Government that at this time, he does not have the money,
24 although he will be making his best efforts to be able to
25 pay that by the sentencing or the 30 days before the

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1 sentencing. We've already advised them, and we will, we
2 do anticipate to be making an application to apply the
3 forfeiture to the restitution.

4 I just wanted to advise the Court of that.

5 THE COURT: Well, that's not in the agreement.
6 So if that's what your position is, the Government agrees
7 with that or not? You tell me.

8 MR. HARRIS: Your Honor, we'll consult with
9 defense counsel between now and sentencing.

10 THE COURT: That's a big ask, you know, because
11 the forfeiture is not -- it's substantial, so.

12 MR. HARRIS: Yes, your Honor, it is.

13 THE COURT: And the penalties for not complying
14 with it are substantial too, so.

15 MR. HARRIS: I believe the defendant understands
16 his obligations under the plea agreement. If he wants to
17 consult with the Government between now and sentencing,
18 we're happy to speak to him, but his obligations under the
19 agreement are these obligations.

20 MR. MURRAY: Judge, I just want to make clear,
21 though, the whole issue, and the Government's aware of his
22 financial situation. He's going to use best efforts and
23 wants to avail himself of this plea, but he's not -- he's
24 not saying he's willfully going to default. He's going to
25 do the best he can to make that, and I don't think the

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1 Government's asking him to do more than that.

2 However, if they do try to sanction him for not
3 being able to make that, I would like to be able to raise
4 that as an issue because it's an impossibility if, for
5 some reason, he's totally unemployable and can't pay it.
6 We don't believe that to be the case, but I just want him
7 not to suffer sanctions when he's making best efforts to
8 meet that obligation.

9 MR. HARRIS: Your Honor, I don't believe there's
10 anything in the plea agreement precluding him from making
11 the application that he has indicated he'd like to make.

12 So we'll confer. I'm sure the parties will be
13 able to resolve this prior to sentencing.

14 THE COURT: All right. But I want everyone to
15 understand at the last possible minute at the time of
16 sentencing, this might be protracted if he hasn't made the
17 restitution.

18 MR. HARRIS: Understood, your Honor.

19 THE COURT: And forfeiture, we'll see how it
20 goes, but I see substantial problems if he can't comply.

21 MR. MURRAY: The Government's been acting in
22 good faith, and we've had these conversations. They're
23 well aware of his financial situation, and they know he's
24 going to put forth his best efforts. I find it hard to
25 believe that they would seek additional sanctions knowing

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1 that he's made those best efforts as we are communicating.
2 Unless they find otherwise.

3 THE COURT: Anything that the Government would
4 like to add?

5 MR. HARRIS: A few housekeeping matters, your
6 Honor. I'm sure that your Honor advised the defendant of
7 these and I just missed them, and so if you'll indulge me.

8 In addition to retaining the ability to argue
9 those two guidelines enhancements does not apply.

10 THE COURT: Right.

11 MR. HARRIS: He is stipulating to the remainder
12 of the guidelines enhancements.

13 THE COURT: Yes, he indicated in the plea
14 agreement that he is stipulating, and the plea agreement
15 contains specific portions that I did go into in terms of
16 what he's admitting to.

17 MR. HARRIS: Yes, your Honor. Thank you.

18 And I would just like to confirm on the record
19 the defendant understands that there are no promises
20 outside of the plea agreement and that he's affirmatively
21 waiving his trial rights.

22 THE COURT: Affirmatively waiving? It sure
23 seems that way.

24 Are you waiving your trial rights?

25 I did ask you know you're not going to trial.

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1 You can't call witnesses on your behalf with respect to
2 the trial. I went through the whole litany of things that
3 you're giving up, and you've indicated that you understand
4 them and you've gone over them with your attorneys.

5 Is that correct.

6 THE DEFENDANT: Yes, your Honor.

7 THE COURT: Do you have any questions now?

8 THE DEFENDANT: No, your Honor.

9 MR. MURRAY: Your Honor, I'm so sorry, I don't
10 want to blow up this agreement, but I am concerned now
11 because Mr. Ryan is saying that my client is aware of the
12 conditions of that plea agreement, negating the
13 conversations between the defense and the prosecution.

14 So I'm just asking is our representation of what
15 will happen if he makes best efforts to pay that before
16 sentencing, you're not going to seek additional sanctions?

17 THE COURT: I don't think they're making that
18 promise.

19 But counsel for the Government, let me know.

20 MR. HARRIS: Your Honor, could we have a minute
21 to confer?

22 THE COURT: Sure.

23 MR. MURRAY: Thank you, your Honor.

24 (Counsel confer.)

25 MR. HARRIS: Your Honor, I'm ready to proceed.

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1 THE COURT: All right.

2 MR. HARRIS: Under the terms of the agreement,
3 the defendant must pay any funds that he has available to
4 him. If he does not have additional assets to pay, the
5 Government can seek substitute assets or the liquidation
6 of assets to satisfy that. So, of course the Government
7 cannot collect anything that the defendant does not have,
8 but it can collect up to any assets he has, including the
9 liquidation of any real property or other kinds of assets
10 to satisfy the forfeiture amount.

11 THE COURT: In other words, you concede that the
12 defendant is not saying he has available at this time
13 \$205,002.97 to pay the money forfeiture which would have
14 to be paid 30 days before sentence.

15 MR. HARRIS: Your Honor, I don't think that
16 we're representing full knowledge of his financial assets.

17 In paragraph 13, he states that he will disclose
18 all of his assets to the United States on a financial
19 statement as part of the agreement. He will do that, we
20 will review it, and then we will rely on those
21 representations, with independent verification, to satisfy
22 the forfeiture amount.

23 THE COURT: Is that your understanding, Mr.
24 Santos?

25 You want to confer with your lawyer, please do

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1 so.

2 THE DEFENDANT: Yes, ma'am.

3 (Defendant and defense counsel confer.)

4 MR. MURRAY: Your Honor, if by chance this
5 becomes an issue with the sentencing date that we have set
6 five months from now and we need a little extra time to
7 satisfy them, would you entertain a brief adjournment in
8 order to do that?

9 THE COURT: Obviously I'm reasonable on dates.
10 However, I think there should be some
11 understanding that Mr. Santos believes that he has the
12 ability to gather up over \$200,000 in the next four
13 months, six months, whatever, that he's expected to do
14 that.

15 MR. MURRAY: We do believe that he can right
16 now, but we don't know what the adverse effect of this
17 plea and these proceedings will have on his employability.
18 That's our only unknown, Judge. And that's why we're
19 asking possibly we may not meet that deadline.

20 THE COURT: Is the Government accepting that
21 representation?

22 I don't want to have a protracted forfeiture
23 proceeding.

24 MR. HARRIS: Your Honor, if defense counsel
25 comes to us and asks for an adjournment for additional

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1 time to gather the forfeiture, we will confer with them.

2 Without knowing the details, and this is
3 hypothetical in the future, I don't think it would be fair
4 for me to take a position right now.

5 THE COURT: So that sounds like you just have to
6 hope.

7 But if Mr. Santos is willing to do that, I'll
8 accept the plea finally. But I'm not making any
9 representations as to how that might affect sentence.

10 MR. MURRAY: I understand, Judge.

11 And I do appreciate that you are our judge for
12 sentencing. I've had prior experience with you. It's not
13 about you, Judge.

14 What I'm saying is the Government and us, we
15 have been working so well together throughout this
16 process, and my understanding was that they appreciate the
17 situation. Nobody can predict with any specificity as to
18 what the outcome will be, but he will use his best efforts
19 to meet that need, and hopefully we can work together on
20 it. That's all I wanted them to acknowledge, that that
21 conversation took place and that we're willing to both do
22 that.

23 THE COURT: Anything further that you'd like to
24 add?

25 MR. HARRIS: No, your Honor.

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1 THE COURT: All right.

2 I have reviewed all the discovery material,
3 including the proffer agreement which is under seal, and I
4 intend for it to be under seal. But I want to make sure
5 there's no misunderstanding so we don't spend a lot of
6 time on motions related to forfeiture.

7 So if there's anything that you disagree with
8 now with regard to what defense counsel has said, let me
9 know.

10 MR. HARRIS: Your Honor, the Government's
11 position is that the agreement is the agreement. I've
12 heard defense counsel say they're going to make best
13 efforts. They'll contact us if they find they have an
14 inability to pay. We will hear them at that time. The
15 agreement, however, is the agreement.

16 THE COURT: All right.

17 So we have a sentence date. Get your
18 submissions in.

19 If there's nothing else, please take your client
20 down to Probation and have him get ready and set up an
21 interview with regard to the presentence investigation
22 report.

23 COURTROOM DEPUTY: They'll contact him, Judge.

24 THE COURT: They'll contact you, I'm told.

25 MR. HARRIS: Thank you, your Honor.

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MR. MURRAY: Thank you, your Honor.
THE COURT: Have a good day, everyone.
That completes the proceeding.
(Time noted: 4:02 p.m.)